

Placer County

Below Market Price Housing Selection Guidelines



The information provided in this document describes the Guidelines for households applying for homes through the Below Market Price Housing Program. The information covers eligibility criteria for income, household size, employment, current residence and work location, and qualifying rent-restricted developments. For the purpose of this Guideline, Applicant, Buyer and Household are used interchangeably.

1) Threshold Eligibility Qualifications

- a) Applicant must use the home purchased under this program as their primary residence.
- b) Applicant must meet the income eligibility limits set by the program.
 - i) Households earning less than 80% of the Area Median Income (AMI), adjusted for household size, are eligible to participate in the program.
 - ii) The following chart represents the maximum gross annual Area Median Income figures for 2006 adjusted for household size.

If your Household Size is ►	1	2	3	4	5	6	7	8
Maximum Annual LOW Income (80% AMI) to be eligible ►	\$36,600	\$41,850	\$47,050	\$52,300	\$56,500	\$60,650	\$64,850	\$69,050

- c) Applicant must provide sufficient documentation of income to Placer County for use in determining the applicant's income level, examples of acceptable documentation include, tax returns, employer income verifications, pay stubs and notice of program actions showing gross income amounts.
- d) Total household income is the total income of all members of the household over 18 years of age. A household is defined by including all persons who will reside in the housing unit. The occupants may be one person living alone, a single family, two or more families living together or any other group of related or unrelated persons who share living arrangements.
- e) Applicant must provide a minimum of three percent (3%) of the purchase price, of their own funds, for use as a down payment.
 - i) Funds must be seasoned (on deposit in a financial institution) for a minimum of three months prior to the initial date of the application and be available to be used as a deposit at close of escrow.
 - ii) Homebuyer may be "gifted" funds to meet the three percent down payment requirement.
 - iii) Funds must be placed into escrow prior to close of escrow and proof of availability of funds sent to the County before close of escrow.
- f) The buyer is responsible for all closing costs related to the purchase which may include title fees, escrow fees, loan origination fees, etc., (approximately 2-3% percent of the purchase price). Homebuyer may be "gifted" funds to be used toward closing costs.
- g) First mortgages must have a fixed interest rate over the life of the loan with no negative amortization or balloon payments. The County will allow first mortgage loan terms such as CalHFA's 35-year loan with interest only for the first 5-years as long as the remaining term is amortized utilizing a fixed interest rate.
- h) Homebuyer must successfully complete a County approved homebuyer training program which includes information on affordable housing covenants and resale restrictions prior to the close of escrow.

- i) Fulfilling the above requirements is the sole responsibility of the homebuyer. Failure to fully satisfy the above program requirements as determined by the County may result in loss of opportunity to purchase a home in this development.
- j) Applicant eligibility will be determined by the County's Redevelopment Agency, Housing Coordinator. All determinations are final.
- k) If a selected applicant chooses to withdraw from purchasing a home for reasons other than financial, the applicant will not be eligible to participate in this program for a period of one (1) year from the date of withdrawal.

2) How the Selection Process Works

When a Below Market Price (BMP) unit becomes available the County will launch an outreach program announcing the application period for the BMP units, this will include a mailing to individuals on the Redevelopment Agency's Housing Interest List. The application period will state a firm deadline for application submittal. The applications will be entered into a lottery to establish the order in which they will be processed. Priority will be given as outlined below in #5, Preference Categories. After the lottery, applicants must obtain loan approval, either by the developer's lead lender or by a lender of the applicant's choice approved by the developer. Following approval by the County and the applicant's first mortgage lender, the applicant will be referred to the developer for purchase of a below market price unit.

3) Selection Process Administration

The selection process will be held at a place and time that will be announced. The selection process will be open to the public and all applicants who apply for this program will be notified of the results of the selection process. The County will certify this process and the numbers assigned to households. Households need not be present to participate in the selection process.

4) Eligibility Verification

At the time of receipt of eligible applications, an initial determination of income eligibility will be made based solely on the information supplied in the application. After the selection process, information on applications will be verified to the extent not already done before the selection process.

5) Priority Categories

a. Resident & Employed in Placer County (1st priority)

- i. To qualify under this category your primary residence must be a residential dwelling unit within the County of Placer and;
- ii) a member of the household must also work as a full-time regular employee at a business within Placer County limits for an employer who has a Placer County business license
- iii) employees who are employed as contract or temporary employees are not eligible to receive preference points under this category.

Households, whose income is based on retirement or disability income, must provide documentation showing that this income is based on previous employment within Placer County to receive preference points under this category.

b. Resident of Placer County (2nd priority)

- i. To qualify under this category your primary residence must be a residential dwelling unit within the County of Placer.

c) Employee in Placer County (3rd priority)

- i) a member of the household must work as a full-time regular employee at a business within Placer County limits for an employer who has a Placer County business license
- ii) Employees who are employed as contract or temporary employees are not eligible to receive preference points under this category.

Households, whose income is based on retirement or disability income, must provide documentation showing that this income is based on previous employment within Placer County to receive preference points under this category.

- c. All other applicants (4th priority)

6) Household Size

- a. Household size will be matched to unit bedroom count minimum and maximum household size standard to avoid overcrowded and unsafe conditions. The mechanism for matching housing units to larger household sizes ensures that as housing units are available overcrowded living conditions and under-utilization of this resource is avoided.

<u>Number of Bedrooms/Unit</u>	<u>Maximum Household Size</u>
1 bedroom	2 persons
2 bedroom	4 persons
3 bedroom	7 persons
4 bedroom	9 persons

<u>Number of Bedrooms/Unit</u>	<u>Minimum Household Size</u>
3 bedroom	3 persons
4 bedroom	4 persons
5 bedroom	5 persons